

**House Study Bill 225 - Introduced**

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL BY  
CHAIRPERSON KAUFMANN)

**A BILL FOR**

1 An Act establishing a fair as a designated exempt entity and  
2 allowing for refunds of state sales tax in the performance  
3 of certain written contracts and including effective date  
4 and retroactive applicability provisions.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 423.4, subsection 1, paragraph a, Code  
2 2023, is amended by adding the following new subparagraph:  
3 NEW SUBPARAGRAPH. (10) A fair as defined in section 174.1.  
4 Sec. 2. REFUNDS. Refunds of taxes, interest, or penalties  
5 which arise from claims resulting from the enactment of section  
6 423.4, subsection 1, paragraph "a", subparagraph (10), in this  
7 Act, occurring between January 1, 2021, and the effective date  
8 of this Act shall be limited to twenty-five thousand dollars in  
9 the aggregate, and shall not be allowed unless refund claims  
10 are filed by October 1, 2023, notwithstanding any other law to  
11 the contrary. If the amount of the claims totals more than  
12 twenty-five thousand dollars in the aggregate, the department  
13 of revenue shall prorate the twenty-five thousand dollars  
14 in the aggregate among all the claimants in relation to the  
15 amounts of the claimants' valid claims.  
16 Sec. 3. EFFECTIVE DATE. This Act, being deemed of immediate  
17 importance, takes effect upon enactment.  
18 Sec. 4. RETROACTIVE APPLICABILITY. This Act applies  
19 retroactively to January 1, 2021.

20 EXPLANATION

21 The inclusion of this explanation does not constitute agreement with  
22 the explanation's substance by the members of the general assembly.

23 Currently, a "designated exempt entity" may apply to the  
24 department of revenue, under certain circumstances, for the  
25 refund of sales or use tax upon the sales price of all sales  
26 of building materials, supplies, equipment, or from services  
27 furnished to a contractor, used in the performance of a written  
28 contract with the designated exempt entity.

29 This bill also makes a county or district fair a designated  
30 exempt entity. This provision takes effect upon enactment and  
31 applies retroactively to January 1, 2021. The bill allows for  
32 refunds of taxes, interest, or penalties arising from claims  
33 resulting from the enactment of the bill. The bill limits the  
34 refund amount to \$25,000 in the aggregate.